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**By: Delegate Proctor (Chairman, Joint Committee on Pensions)**

Introduced and read first time: January 29, 1996

Assigned to: Appropriations

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 27, 1996

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CHAPTER \_\_\_\_

1 AN ACT concerning

2 **Pensions - ~~Technical Corrections~~ Administrative Procedures and Practice**

3 FOR the purpose of altering the procedure for certain payments due to a retiree for the  
4 month in which the retiree dies; clarifying membership eligibility in the Teachers'  
5 Retirement System and Teachers' Pension System with respect to librarians of  
6 certain libraries; providing that members of the State Police Retirement System may  
7 purchase service credit for certain employer-approved leaves of absence not  
8 exceeding a certain number of years; ~~applying certain provisions of law relating to~~  
9 ~~reemployment of retirees to retirees of the Correctional Officers' Retirement~~  
10 ~~System, the Natural Resources Pension System, and the Local Fire and Police~~  
11 ~~System~~ providing that a retiree of the Correctional Officers' Retirement System, the  
12 Natural Resources Pension System, and the Local Fire and Police System may  
13 accept employment with a participating employer without a reduction in retirement  
14 allowance; prohibiting the reemployed retiree from receiving service credit during  
15 the reemployment; providing for certain administrative procedures relating to the  
16 reemployment; altering the method for making contributions for certain military  
17 service credit; and generally relating to ~~technical corrections that apply to the~~  
18 administrative procedure and practice of the State retirement and pension systems.

19 BY renumbering

20 Article - State Personnel and Pensions  
21 Section 25-403, 26-403, and 28-402, respectively  
22 to be Section 25-404, 26-404, and 28-403, respectively  
23 Annotated Code of Maryland  
24 (1994 Volume and 1995 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article - State Personnel and Pensions

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1 Section 21-406(b), 22-205(a), 23-206(a), and 24-305  
2 Annotated Code of Maryland  
3 (1994 Volume and 1995 Supplement)

4 BY adding to

5 Article - State Personnel and Pensions  
6 Section 25-403, 26-403, and 28-402  
7 Annotated Code of Maryland  
8 (1994 Volume and 1995 Supplement)

9 BY repealing

10 Article - State Personnel and Pensions  
11 Section 38-103(f) and 38-104(c)  
12 Annotated Code of Maryland  
13 (1994 Volume and 1995 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
15 MARYLAND, That Section(s) 25-403, 26-403, and 28-402, respectively, of Article -  
16 State Personnel and Pensions of the Annotated Code of Maryland be renumbered to be  
17 Section(s) 25-404, 26-404, and 28-403, respectively.

18 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
19 read as follows:

20 **Article - State Personnel and Pensions**

21 21-406.

22 (b) When a retiree dies [and no further payments are due to a designated  
23 beneficiary], the Board of Trustees shall pay [to the retiree's estate]the part of the  
24 allowance due to the retiree for the month in which the death occurs:

25 (1) TO THE DESIGNATED BENEFICIARY; OR

26 (2) IF THERE IS NO DESIGNATED BENEFICIARY, TO THE RETIREE'S  
27 ESTATE.

28 22-205.

29 (a) Except as provided in subsection (b) of this section, §§ 22-206 through 22-208  
30 of this subtitle apply only to:

31 (1) an employee of a day school in the State under the authority and  
32 supervision of a county board of education or the Baltimore City Board of School  
33 Commissioners, employed as:

34 (i) an attendance officer;

35 (ii) a clerk;

36 (iii) a helping teacher;

3

1 (iv) a principal;

2 (v) a superintendent;

3 (vi) a supervisor; or

4 (vii) a teacher;

5 (2) a faculty employee of an educational institution supported by and under  
6 the control of the State;

7 (3) a [professional] LIBRARIAN or clerical employee of any library that is  
8 established or operates under the Education Article; or

9 (4) a professional or clerical employee of a community college that is  
10 established or operates under the Education Article.

11 23-206.

12 (a) Except as provided in subsection (b) of this section, §§ 23-207 through 23-210  
13 of this subtitle apply only to:

14 (1) an employee of a day school in the State under the authority and  
15 supervision of a county board of education or the Baltimore City Board of School  
16 Commissioners, employed as:

17 (i) a clerk;

18 (ii) a helping teacher;

19 (iii) a principal;

20 (iv) a superintendent;

21 (v) a supervisor; or

22 (vi) a teacher;

23 (2) a faculty employee of an educational institution supported by and under  
24 the control of the State;

25 (3) a [professional] LIBRARIAN or clerical employee of a library that is  
26 established or operates under the Education Article; or

27 (4) a professional or clerical employee of a community college that is  
28 established or operates under the Education Article.

29 24-305.

30 (a) A member may purchase service credit as provided in subsection (b) of this  
31 section for:

32 (1) periods of employment from July 1, 1970, through June 30, 1972, both  
33 inclusive, during which the member elected to delay enrollment in the State Police  
34 Retirement System and for which the member is not otherwise entitled to service credit;

35 AND

4

1 (2) A PERIOD OF EMPLOYMENT WHEN THE MEMBER WAS ON AN  
2 EMPLOYER-APPROVED LEAVE OF ABSENCE NOT EXCEEDING 2 YEARS THAT HAS  
3 QUALIFIED FOR PURCHASE UNDER REGULATIONS ADOPTED BY THE BOARD OF  
4 TRUSTEES.

5 (b) (1) A member who purchases service credit under this section shall:

6 (i) complete a claim for the service credit and file it with the Board of  
7 Trustees on the form that the Board of Trustees provides; and

8 (ii) pay to the Board of Trustees in a single payment the member  
9 contributions the member would have made for the period of employment for which  
10 service credit is being purchased plus regular interest to the date of payment.

11 (2) A member may pay for service credit purchased under this section at any  
12 time before retirement.

13 25-403.

14 (A) ~~SUBJECT TO SUBSECTION (B) OF THIS SECTION,~~ A RETIREE WHO IS  
15 RECEIVING A SERVICE RETIREMENT ALLOWANCE MAY ACCEPT EMPLOYMENT WITH  
16 A PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL  
17 BASIS, WITHOUT ANY REDUCTION IN RETIREMENT ALLOWANCE, ~~IF THE RETIREE~~  
18 ~~IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES:~~

19 ~~(1) OF THE RETIREE'S INTENTION TO ACCEPT THE EMPLOYMENT; AND~~

20 ~~(2) OF THE COMPENSATION THAT THE RETIREE WILL RECEIVE.~~

21 ~~(B) (1) THIS SUBSECTION DOES NOT APPLY TO:~~

22 ~~(I) A RETIREE WHO HAS BEEN RETIRED FOR MORE THAN 10~~  
23 ~~YEARS;~~

24 ~~(II) A RETIREE WHOSE AVERAGE FINAL COMPENSATION WAS LESS~~  
25 ~~THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL~~  
26 ~~BASIS; OR~~

27 ~~(III) A RETIREE WHO IS SERVING IN AN ELECTED POSITION AS AN~~  
28 ~~OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL~~  
29 ~~OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.~~

30 ~~(2) THE BOARD OF TRUSTEES SHALL REDUCE A RETIREE'S~~  
31 ~~RETIREMENT ALLOWANCE BY THE AMOUNT THAT THE SUM OF THE RETIREE'S~~  
32 ~~ANNUAL BASIC ALLOWANCE, AT THE TIME OF RETIREMENT, AND THE RETIREE'S~~  
33 ~~ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO~~  
34 ~~COMPUTE THE BASIC ALLOWANCE.~~

35 ~~(B)~~ (B) A REEMPLOYED RETIREE WHO IS RECEIVING A SERVICE  
36 RETIREMENT ALLOWANCE MAY NOT RECEIVE CREDITABLE SERVICE OR  
37 ELIGIBILITY SERVICE DURING THE PERIOD OF REEMPLOYMENT.

38 ~~(C)~~ (C) THE RETIREE'S COMPENSATION DURING THE PERIOD OF  
39 REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF §

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1 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER  
2 CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

3 ~~(E)~~ (D) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE  
4 REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE  
5 COMPLIANCE WITH THIS SECTION.

6 ~~(F)~~ (E) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A  
7 PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF  
8 THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

9 (2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE  
10 RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE  
11 STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY  
12 PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES,  
13 AND THEIR EARNINGS FOR THAT YEAR.

14 26-403.

15 (A) ~~SUBJECT TO SUBSECTION (B) OF THIS SECTION,~~ A RETIREE WHO IS  
16 RECEIVING A SERVICE RETIREMENT ALLOWANCE MAY ACCEPT EMPLOYMENT WITH  
17 A PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL  
18 BASIS, WITHOUT ANY REDUCTION IN RETIREMENT ALLOWANCE, ~~IF:~~

19 ~~(1) THE RETIREE IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES OF~~  
20 ~~THE RETIREE'S INTENTION TO ACCEPT THIS EMPLOYMENT; AND~~

21 ~~(2) THE RETIREE SPECIFIES THE COMPENSATION TO BE RECEIVED.~~

22 ~~(B) (1) THIS SUBSECTION DOES NOT APPLY TO:~~

23 ~~(I) A RETIREE WHOSE AVERAGE FINAL COMPENSATION WAS LESS~~  
24 ~~THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL~~  
25 ~~BASIS; OR~~

26 ~~(II) A RETIREE WHO IS SERVING IN AN ELECTED POSITION AS AN~~  
27 ~~OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL~~  
28 ~~OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.~~

29 ~~(2) THE BOARD OF TRUSTEES SHALL REDUCE A RETIREE'S~~  
30 ~~RETIREMENT ALLOWANCE BY THE AMOUNT THAT THE SUM OF THE RETIREE'S~~  
31 ~~ANNUAL BASIC ALLOWANCE, AT THE TIME OF RETIREMENT, AND THE RETIREE'S~~  
32 ~~ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO~~  
33 ~~COMPUTE THE BASIC ALLOWANCE.~~

34 ~~(C)~~ (B) A REEMPLOYED RETIREE WHO IS RECEIVING A SERVICE  
35 RETIREMENT ALLOWANCE MAY NOT RECEIVE CREDITABLE SERVICE OR  
36 ELIGIBILITY SERVICE DURING THE PERIOD OF REEMPLOYMENT.

37 ~~(D)~~ (C) THE RETIREE'S COMPENSATION DURING THE PERIOD OF  
38 REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF §  
39 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER  
40 CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

1           ~~(E)~~ (D) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE  
2 REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE  
3 COMPLIANCE WITH THIS SECTION.

4           ~~(E)~~ (E) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A  
5 PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF  
6 THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

7                   (2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE  
8 RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE  
9 STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY  
10 PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES,  
11 AND THEIR EARNINGS FOR THAT YEAR.

12 28-402.

13           (A) ~~SUBJECT TO SUBSECTION (B) OF THIS SECTION,~~ A RETIREE WHO IS  
14 RECEIVING A SERVICE RETIREMENT ALLOWANCE MAY ACCEPT EMPLOYMENT WITH  
15 A PARTICIPATING EMPLOYER ON A PERMANENT, TEMPORARY, OR CONTRACTUAL  
16 BASIS, WITHOUT ANY REDUCTION IN RETIREMENT ALLOWANCE, ~~IF:~~

17                   ~~(1) THE RETIREE IMMEDIATELY NOTIFIES THE BOARD OF TRUSTEES OF~~  
18 ~~THE RETIREE'S INTENTION TO ACCEPT THIS EMPLOYMENT; AND~~

19                   ~~(2) THE RETIREE SPECIFIES THE COMPENSATION TO BE RECEIVED.~~

20           ~~(B) (1) THIS SUBSECTION DOES NOT APPLY TO:~~

21                   ~~(i) A RETIREE WHOSE AVERAGE FINAL COMPENSATION WAS LESS~~  
22 ~~THAN \$10,000 AND WHO IS REEMPLOYED ON A TEMPORARY OR CONTRACTUAL~~  
23 ~~BASIS; OR~~

24                   ~~(ii) A RETIREE WHO IS SERVING IN AN ELECTED POSITION AS AN~~  
25 ~~OFFICIAL OF A PARTICIPATING GOVERNMENTAL UNIT OR AS A CONSTITUTIONAL~~  
26 ~~OFFICER FOR A COUNTY THAT IS A PARTICIPATING GOVERNMENTAL UNIT.~~

27                   ~~(2) THE BOARD OF TRUSTEES SHALL REDUCE A RETIREE'S~~  
28 ~~RETIREMENT ALLOWANCE BY THE AMOUNT THAT THE SUM OF THE RETIREE'S~~  
29 ~~ANNUAL BASIC ALLOWANCE, AT THE TIME OF RETIREMENT, AND THE RETIREE'S~~  
30 ~~ANNUAL COMPENSATION EXCEEDS THE AVERAGE FINAL COMPENSATION USED TO~~  
31 ~~COMPUTE THE BASIC ALLOWANCE.~~

32           ~~(C)~~ (B) A REEMPLOYED RETIREE WHO IS RECEIVING A SERVICE  
33 RETIREMENT ALLOWANCE MAY NOT RECEIVE CREDITABLE SERVICE OR  
34 ELIGIBILITY SERVICE DURING THE PERIOD OF REEMPLOYMENT.

35           ~~(D)~~ (C) THE RETIREE'S COMPENSATION DURING THE PERIOD OF  
36 REEMPLOYMENT MAY NOT BE SUBJECT TO THE EMPLOYER PICKUP PROVISIONS OF §  
37 21-303 OF THIS ARTICLE OR ANY REDUCTION OR DEDUCTION AS A MEMBER  
38 CONTRIBUTION FOR PENSION OR RETIREMENT PURPOSES.

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1           ~~(D)~~ (D) THE STATE RETIREMENT AGENCY SHALL INSTITUTE APPROPRIATE  
2 REPORTING PROCEDURES WITH THE AFFECTED PAYROLL SYSTEMS TO ENSURE  
3 COMPLIANCE WITH THIS SECTION.

4           ~~(E)~~ (E) (1) IMMEDIATELY ON THE EMPLOYMENT OF ANY RETIREE, A  
5 PARTICIPATING EMPLOYER SHALL NOTIFY THE STATE RETIREMENT AGENCY OF  
6 THE TYPE OF EMPLOYMENT AND THE ANTICIPATED EARNINGS OF THE RETIREE.

7                   (2) AT LEAST ONCE EACH YEAR, IN A FORMAT SPECIFIED BY THE STATE  
8 RETIREMENT AGENCY, EACH PARTICIPATING EMPLOYER SHALL PROVIDE THE  
9 STATE RETIREMENT AGENCY WITH A LIST OF ALL EMPLOYEES INCLUDED ON ANY  
10 PAYROLL OF THE EMPLOYER, THE SOCIAL SECURITY NUMBERS OF THE EMPLOYEES,  
11 AND THEIR EARNINGS FOR THAT YEAR.

12 38-103.

13           [(f) (1) With respect to the period of a member's absence from employment for  
14 military service, the State or political subdivision that employed the member shall make  
15 the member contributions and employer contributions as if the member had not been  
16 absent and had retained the status of an employee.

17                   (2) A member may not withdraw any contribution made under paragraph  
18 (1) of this subsection.]

19 38-104.

20           [(c) The State or other governmental unit that makes contributions for members of  
21 State systems shall make the member contributions and employer contributions for the  
22 military service credit for a member who:

23                   (1) attains 10 years of creditable service; and

24                   (2) is otherwise entitled to the military service credit under this section.]

25           SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
26 July 1, 1996.